

Amendment No. 3 to SB0603

**Norris
Signature of Sponsor**

AMEND Senate Bill No. 603*

House Bill No. 644

by deleting from SECTION 22 the language “payroll processing services; data processing services; billing and collection services” and substituting instead the language “payroll processing services; billing and collection services”.

AND FURTHER AMEND by inserting the following language as new SECTIONS 28 and 29 and renumbering the subsequent sections accordingly:

SECTION 28. Tennessee Code Annotated, Section 67-4-2006(b)(2)(N), is amended by deleting the subdivision and by substituting instead the following:

(N) Any intangible expense paid, accrued, or incurred in connection with a transaction with one (1) or more affiliates, if the intangible expense has been disclosed in accordance with subdivision (d)(1) and either of the following conditions are met:

(i) The affiliate to whom the expense has been paid, accrued, or incurred is registered for and paying the tax imposed by this part; or

(ii) The expense was paid, accrued, or incurred to an affiliate in a foreign nation that is a signatory to a comprehensive income tax treaty with the United States or to an affiliate that is otherwise not required to be registered for or to pay the tax imposed by this part;

SECTION 29. Tennessee Code Annotated, Section 67-4-2006(d), is amended by deleting the subsection and by substituting instead the following:

(d)

(1) Any taxpayer that pays, accrues, or incurs intangible expenses as a result of a transaction with one (1) or more affiliates shall disclose the intangible expenses on the form as prescribed by the commissioner.

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(2) Any taxpayer that pays, accrues, or incurs intangible expenses as a result of a transaction with one (1) or more affiliates and either fails to disclose the intangible expenses or fails to add the expenses to net earnings or net losses in accordance with subdivision (b)(1)(K) shall be subject to a negligence penalty as set forth in § 67-1-804(b)(2).

AND FURTHER AMEND by deleting the language “Sections 9, 10, 11, 12, 17, 18, 19, and 20” in the effective date section and substituting instead “Sections 9, 10, 11, 12, 17, 18, 19, 20, 28, and 29”.